

Message Text

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ORIGIN AGRE-00

INFO OCT-01 EA-07 ISO-00 CIAE-00 COME-00 EB-08 INR-07
LAB-04 NSAE-00 SP-02 STR-04 TRSE-00 FRB-03 OMB-01
DODE-00 NSCE-00 SSO-00 USIE-00 INRE-00 /037 R

DRAFTED BY AGRIC:FAS:FCA:G&F:DJNOVOTNY:KML
APPROVED BY EB/ORF/OFP:BOYLE
FAS:FCA:BKMEEKER
FAS:AO:ETRANSOM
FAS:THUGHES
FGIS:DGALLIART
AGRIC:ERBEVIS
STATE:HETHAYER

-----123974 282243Z /21

O R 282221Z JUL 77
FM SECSTATE WASHDC
TO USLO PEKING IMMEDIATE
INFO AMCONSUL HONG KONG

C O N F I D E N T I A L STATE 177497

E.O. 11652: N/A

TAGS: EAGR, CH

SUBJECT: POSSIBLE U.S. WHEAT SALES TO PRC

REF: PEKING 1554

1. REFTEL RECEIVED THURSDAY AM WASHINGTON TIME AND WAS
PROMPTLY CONVEYED TO SECRETARY BERGLAND, WHO HAS CONSULTED
WITH AGENCIES CONCERNED WITHIN USDA AND HAS CONCURRED IN THE
FOLLOWING RESPONSE.

2. WE ARE PLEASED TO RECEIVE THE FULL REPORT ON THE
PROGRESS OF WHEAT SALES TALKS AND ARE DELIGHTED AT INDI-
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CATIONS OF POSSIBLE TRADE. WITH RESPECT TO THE MATTER OF
EXCEPTIONAL CLAIMS WHICH MIGHT BE LODGED AGAINST THE SELLER
UNDER THE TYPE OF CONTRACT TERMS BEING CONSIDERED, WE WISH
TO MAKE CLEAR THAT WE CAN SEE NO POSSIBILITY WHEREBY
GOVERNMENT COULD UNDERWRITE ANY PORTION OF SUCH RISK. THIS
WOULD OF COURSE BE TRUE WITHOUT REGARD TO EITHER WHO IS THE
SELLER OR WHAT COUNTRY IS THE FOREIGN BUYER. GOVERNMENT

INVOLVEMENT IN THE MANNER SUGGESTED WOULD ENCOUNTER SERIOUS LEGAL OBSTACLES. IN ADDITION, THERE COULD BE ENORMOUS SIGNIFICANCE IN TERMS OF PRECEDENT FOR OTHER U.S. GRAIN EXPORTS. WE COULD SUGGEST, HOWEVER, THAT THE BUYER BE

INVITED TO ARRANGE FOR AN AGENT OR A REPRESENTATIVE TO BE PRESENT DURING ANY OR ALL OF THE LOADING AND/OR GATHERING SAMPLES FOR INSPECTION, AND THAT SUCH REPRESENTATIVE WOULD ALSO BE SHOWN THE LABORATORY PROCEDURES THAT ARE IN USE BY THE FEDERAL GRAIN INSPECTION SERVICE.

3. SECRETARY BERGLAND AND OTHER USDA OFFICIALS CONCERNED WILL BE GLAD TO MEET WITH THE SELLERS' REPRESENTATIVES UPON THEIR RETURN TO THE U.S. FOR MORE COMPLETE REVIEW AND DISCUSSION OF THE SITUATION. OUR SUGGESTION, HOWEVER, IS THAT NO DOUBT SHOULD BE LEFT IN THE BUYERS MIND AT THIS POINT REGARDING THE TYPE OF INVOLVEMENT DESCRIBED. HOPEFULLY THE SELLERS' REPRESENTATIVES COULD IF NECESSARY EXTEND THEIR STAY IN ORDER TO ENSURE THAT THIS POINT IS MADE CLEAR AND IN ORDER THAT FULL ADVANTAGE CAN BE TAKEN OF THE OPPORTUNITY OF THE CURRENT TALKS. WE CERTAINLY WISH TO SUPPORT SELLERS' EFFORTS IN WHATEVER WAYS ARE OPEN TO US, AND IN LIGHT OF GOOD CROPS NOW BEING HARVESTED IN THIS COUNTRY COINCIDING WITH UNUSUAL IMPORT NEEDS IN CHINA AND THE ALREADY RATHER HEAVILY COMMITTED EXPORT CAPACITY OF OTHER SUPPLYING COUNTRIES, WE HOPE THAT THE TALKS WILL

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HAVE A SUCCESSFUL OUTCOME.

4. PLEASE CONVEY FOREGOING TO MR. HOFER. VANCE

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Message Attributes

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Control Number: n/a
Copy: SINGLE
Sent Date: 28-Jul-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
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Disposition Approved on Date:
Disposition Case Number: n/a
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Disposition History: n/a
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